

JAPAN

At glance: Japan the "Land of the Rising Sun," an island country lying off the east coast of Asia.



The archipelago stretches from south of the Russian Sakhalin Island in the north to near Taiwan in the southwest. It consists of a great string of four main islands Hokkaido, Honshu, Shikoku and Kyushu. The country shares maritime borders with China, North Korea, South Korea, the Philippines, Russia, and Taiwan. Almost four-fifths of Japan is covered with mountains and more than a thousand earthquakes hit Japan every year. Japan lies on the Pacific 'Ring of Fire', a chain of volcanoes which are responsible for volcanic outbreaks and tsunamis. Japan also has about 200 volcanoes, 60 of which are still active. Tokyo, Japan's capital city is the world's largest metropolitan area. Japan is the world's third largest economy (after the U.S. and China), trade-oriented, and diversified economy. It has developed a highly diversified manufacturing and service economy and is a world leader in the manufacture of automobiles, steel, and

high-technology manufactured goods (notably consumer electronics). The country however, has no natural energy resources and is the world's largest importer of oil, coal and liquefied natural gas.

Country Risk Classification: A1* (ECGC Country Risk Classification List with effect from 31st March 2023)

Political system: Japan is a democratic, constitutional monarchy with a parliamentary government headed by a Prime Minister. Japan's parliament is known as the Diet. It comprises a House of Representatives (Lower House) and a House of Councillors (Upper House).

Demographic Indicators

S No.	Particulars	Details
1.	Ethnic groups	Japanese 97.9%, Chinese 0.6%, Korean 0.4%, other 1.1% (includes Vietnamese, Filipino, and Brazilian) (2017 est.)
2.	Languages	Japanese (official)
3.	Religions	Shintoism 70.5%, Buddhism 67.2%, Christianity 1.5%, other 5.9% (2019 est.)

Geographic Indicators

S No.	Particulars	Details
1.	Location of Country	Japan is located in East Asia, surrounded by the Pacific Ocean, the Sea of Okhotsk, the Sea of Japan, and the East China Sea.
2.	Area Covered	377,915 sq km
3.	Total Population	124,214,766 (2022 est.)
4.	Climate	Varies from tropical in south to cool temperate in north.
5.	Area	Total: 377,915 sq km Land: 364,485 sq km Water: 13,430 sq km
6.	Natural resources	Negligible mineral resources and fish. Japan is the world's largest importer of coal and liquefied natural gas, as well as the second largest importer of oil.

Economic Indicators

S No.	Particulars	Details
1.	GDP (Purchasing Power Parity)	\$ 5.126 trillion (2021 est.)
2.	GDP (Per Capita)	\$ 40,800 (2021 est.)
3.	Inflation, consumer prices (annual %)	-0.23% (2021 est.)
4.	GDP – Composition, by sector of origin	Agriculture: 1.1% (2017 est.) Industry: 30.1% (2017 est.) Services: 68.7% (2017 est.) Industries: Among world's largest and most technologically advanced producers of motor vehicles, electronic equipment, machine tools, steel & nonferrous metals, ships, chemicals, textiles and processed foods.
5.	Currency	Japanese Yen (JPY, ¥), 1 Yen (JPY, ¥), = 0.63 INR (Feb, 2023) 1 Yen (JPY, ¥) = 0.0076 USD (Feb, 2023)
6.	Total global exports of Japan	\$ 919.158 billion (2021 est.)
7.	Major export partners	United States 19%, China 18%, South Korea 6%, and Taiwan 6% (2019)
8.	Total global imports of Japan	\$ 941.671 billion (2021 est.)
9.	Major import partners	China 23%, United States 11%, Australia 6% (2019)
10.	India-Japan Bilateral Trade (2021-2022)	India's exports to Japan : 6,176.77 USD Million India's Handicrafts (Excl. Handmade carpets) exports to Japan : 21.31 USD Million India's imports from Japan : 14,399.77 USD Million India's trade deficit : -8,222.99 USD Million (2021-22) (Source: Ministry of Commerce & Industry, GOI)

Source: worldbank.org
cia.gov

Strengths & Weaknesses

Strengths

- Developed country with advanced technology products and diversified industrial sector
- Democratic and stable government
- Japanese Yen considered as safe-haven currency remain attractive in the longer run for country's strong economy
- Liberal foreign investment policy

Weaknesses

- Vulnerable to natural disasters, including earthquakes and tsunamis
- Dependency on energy imports, world's largest importer of coal and liquefied natural gas, as well as the second largest importer of oil
- Aging population, risk of jeopardizing the social security system
- Low growth potential and low productivity of SMEs

***Country Risk Classification List as of 31st March 2023 (Medium-and-Long-Term)**

Country Classification Legend

ECGC Classification	Risk Category
A1	Insignificant
A2	Low Risk
B1	Moderately Low Risk
B2	Moderate Risk
C1	Moderately High Risk
C2	High Risk
D	Very High Risk